

**AN ORDINANCE TO AMEND THE FEE SCHEDULE TO ALLOW ANNUAL CHANGES OF  
THE INTEREST RATE CHARGED FOR MAKING INSTALLMENT PAYMENTS ALLOWED  
BY CITY CODE SECTION 70-688 FOR STORMWATER DRAINAGE WORK**

WHEREAS, the City Council finds that it is appropriate for interest rates charged for installment payments for stormwater drainage work to be changed from time to time; now therefore,

BE IT ORDAINED BY THE DURHAM CITY COUNCIL:

**SECTION 1.** Part 13B-114 of the Fee Schedule is revised as follows:

**Part 13B-114 (Interest rate on construction for water and sewer service and for stormwater drainage work).**

The interest rate on installment payments for the construction of water and sewer service done pursuant to Charter Section 82 and for installment payments allowed by city code section 70-688 for the property owner share of stormwater drainage repair and improvements is the lesser of (i) the Prime Interest Rate published in The Wall Street Journal on the fourth Friday of May of each year, rounded to the nearest basis point, plus 4.25%, or (ii) 9%. The new interest rate set according to this formula is effective for the next fiscal year.

Installment payments are subject to the interest rate in effect during the fiscal year that the City Manager receives the completed petition or application for time payments. The date of receipt of the petition or application is set under procedures established by the City Manager.

The interest rate as determined by the two preceding paragraphs does not apply with respect to completed petitions received July 1, 2010 through June 30, 2011, which instead are subject to an interest rate of 7.5%.

The interest rate set under this Part for a particular property will remain in effect for that property, regardless of changes in interest rates that may occur in later fiscal years.

If a court of competent jurisdiction determines that an interest rate set lower than 9% pursuant to this Part is invalid or unenforceable, the applicable interest rate shall be 9% for the entire period that the lower interest would have applied if it had been valid and enforceable.

**SECTION 2.** This Ordinance shall be effective upon passage by the Durham City Council.